

PRESS RELEASE

W&W Asset Management Acquires 35-Percent Stake in BF.capital

- BF.capital expands its existing asset class focus on real estate debt to include corporate and infrastructure financing, thus becoming a one-stop provider of private debt solutions
- Manuel Köppel, the Managing Director, will be joined by Eugenio Sangermano and Berthold Garbas who will transfer from W&W Asset Management into the senior management of BF.capital
- BF.capital's assets under management will exceed 1.5 billion euros
- Francesco Fedele, CEO of BF.direkt AG, to chair the newly created supervisory board of BF.capital

Stuttgart, 27 September 2023 – As of 2 October 2023, W&W Asset Management GmbH has acquired a 35-percent interest in BF.capital GmbH, a subsidiary of BF.direkt AG and an investment house for institutional investors in the real estate debt segment. By taking aboard this company, which is a subsidiary of Wüstenrot & Württembergische AG (“W&W”), BF.capital will expand its service spectrum, specifically by adding corporate debt and infrastructure debt solutions. It thus covers all relevant categories of the private debt asset class. Up to now, BF.capital has been active exclusively in the field of real estate debt. Going forward, assets under management will exceed a total value of 1.5 billion euros.

In conjunction with the transaction, BF.capital also filed an application for a license under the German Securities Institutions Act (WpIG) that would authorise it to use fund-of-fund structures and separate accounts to make private debt solutions available to third-party investors outside the W&W Group. Products intended for this purpose are being prepared parallel to the preparations for a new real estate debt direct lending fund that will be put on the market shortly. With this strategic investment, W&W Asset Management is opening up selected activities for third-party business and accessing new profit pools for the W&W Group in the area of alternative investments.

The onboarding of W&W Asset Management as new shareholder will also prompt an expansion of BF.capital's senior management. Eugenio Sangermano and Berthold Garbas, who are both transferring from W&W Asset Management to BF.capital, will join incumbent Managing Director Manuel Köppel to lead BF.capital. In addition, BF.capital is setting up a

supervisory board. It will be chaired by Francesco Fedele, the CEO of BF.direkt AG. Other board members include Steffen Sihler, the Managing Director of W&W Asset Management, and Prof. Dr. Wolfgang Kuhn, the former CEO of Südwesbank.

Francesco Fedele, the CEO of BF.direkt AG, commented: “The idea behind selling an interest in the company to W&W Asset Management is to put BF.capital on a broader basis and thereby to create a full-service provider for all relevant private debt segments. This step lets us use the corporate debt and infrastructure debt segments to enter areas that show substantial overlaps and synergies with real estate debt. In the W&W Group, we have found a powerful partner for new products. In addition, we intend to keep growing in the real estate debt segment.”

Alexander Mayer, the CFO of the W&W Group and the Managing Director of W&W Asset Management, stated: “We are aware of major opportunities in the area of private debt, and look forward to being able to contribute our internal know-how to BF.capital, and thus to make it available to third parties, too, in the longer term. The BF Group is the perfect partner for us, because it is independent and neutral, and because it is part of a broad-based network, especially in the real estate sector.”

Manuel Köppel, the Managing Director of BF.capital, added: “We face the future with a great sense of optimism not just in the area of real estate debt but also in regard to the private debt asset class as a whole. Once the repercussions of the interest rate shock for portfolios have been addressed, which takes longer in the case of illiquid asset classes than it does with liquid instruments, investors stand to benefit from the fact that lending parameters have shifted in their favour.”

Eugenio Sangermano said: “I’m looking forward to my new job as managing director of BF.Capital. It will give me an opportunity to employ my expertise in the areas of private debt and infrastructure debt, and to connect these up with real estate debt. The equity investment by W&W Asset Management has benefits for all sides, meaning for BF.capital, for the W&W Group and even for our clients.”

Berthold Garbas added: “The structures we found in place at BF.capital were highly professional. I’m excited about the opportunity to put my long-term experience to work in order to help develop the company for the regulated sector and to scale up its business.”

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About BF.capital GmbH

BF.capital is an investment manager for institutional investors. So far, BF.capital has used individual fund solutions to provide these investors with access to the real estate debt asset class. Going forward, the asset class profile will be expanded to include additional components of the private debt segment, such as infrastructure and corporate debt. BF.capital will initially act as intra-group competence centre in this segment for Wüstenrot & Württembergische AG (W&W) while also preparing to open up this segment for third parties.

The existing funds managed by BF.capital represent direct lending vehicles for the real estate debt segment. These invest in whole loans or mezzanine loans that are mainly used to facilitate value-add cycles for real properties. The regional focus in this line of business is on Germany's Class A cities (including their respective metro regions). Beyond that, projects may occasionally be financed in attractive Class B cities or selected C- and D-Class cities.